

**REMARKS/ARGUMENTS**

By the present amendments and remarks, Applicant respectfully submits that the rejections have been overcome, and respectfully requests reconsideration of the June 26, 2007 Office Action and allowance of the present application at the Examiner's earliest convenience.

**Summary of the Official Office Action**

The office action has rejected Applicant's claim 36 under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory subject matter.

Additionally, the office action rejected Applicant's claims 1, 3, 5-8, 10 and 20-37 under 35 U.S.C. § 102(e) as being anticipated by Matsunoshita (U.S. Patent Application Publication No. 2003/0179412, hereinafter Matsunoshita).

For the reasons set forth below, Applicant submits that each of the pending claims is allowable over the cited art, and an indication of allowability of the present application is therefore respectfully requested.

**Traversal of Rejection under 35 U.S.C. § 101**

The Office Action rejected Claim 36 under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory subject matter. The office action submits that "claim 36 is directed towards computer executable process steps but is not stored on a computer readable medium and therefore constitutes non-statutory subject matter" (Office Action, page 2). In lieu of the present amendment, Applicant submits that the rejection of claim 36 is now moot. As

such, Applicant respectfully requests the Examiner withdraw the rejection and indicate claim 36 as allowable at the Examiner's earliest convenience.

**Traversal of Rejection under 35 U.S.C. § 102(e)**

**In re Claims 1, 3, 5-8, 10 and 20-46**

Applicant respectfully traverses the rejection of claims 1, 3, 5-8, 10 and 20-37 under 35 U.S.C. §102(e) as being anticipated by Matsunoshita.

In lieu of the present amendment, Applicant has canceled claims 1-19, 24-27, and 32-35 without prejudice and reserves the right to present them at a later time. Accordingly, the rejection of claims 1, 3, 5-8, 10, 24-27, and 32-35 are moot and Applicant respectfully requests reconsideration and withdrawal of the outstanding rejection of claims 1, 3, 5-8, 10, 24-27, and 32-35 under 35 U.S.C. § 102(e).

In regard to claims 20-23, 28-31, 36 and 37, amended independent claim 20 recites, *inter alia*, . . . "embedding digital watermark data in text and/or image data which is to be combined with a patterned image and . . . combining the text and/or image data in which the digital watermark data has been embedded" . . . with "patterned image data in which the digital watermark data has not been embedded."

Applicant respectfully submits that Matsunoshita fails to disclose at least

the above-noted features of the present invention.

Matsunoshita is seen to disclose embedding bar-code information into a patterned image as a security measure protecting copyright (Figure 1, paragraph 48). Specifically, the information is added to PDL data for embedding the information in a patterned image and not for embedding the information in document data text and/or image data (paragraph 52). Nothing in Matsunoshita is seen to disclose or describe embedding digital watermark data in text and/or image data which is to be combined with a patterned image. Rather, Matsunoshita is seen to teach away from the idea and describes embedding a digital watermark, where upon receipt of a command, the printer driver converts document data (application data) into predetermined print data described in print description language, and imparts the added information to a header part of the print data, and then transmits the resultant data (paragraphs 51-53).

On the other hand, amended claim 20 of the present invention does not embed the information in a patterned image, but instead embeds the information in document data (text and/or image data).

Because Matsunoshita lacks at least the above-noted features of the present invention, Applicant submits that Matsunoshita fails to disclose each and every feature recited in amended claim 20, and the Office Action has failed to establish an adequate evidentiary basis to support a rejection of anticipation under 35 U.S.C. § 102(e).

Furthermore, Applicant submits claims 21-23, 28-31, 36 and 37 are allowable at least for the reason that each of these claims depend from allowable

base claim 20 and recite additional features that further define the present invention.

Accordingly, Applicant respectfully requests reconsideration and withdrawal of the outstanding rejection of claims 20-23, 28-31, 36 and 37 under 35 U.S.C. § 102(e).

**CONCLUSION**

Applicant respectfully submits that all of the claims pending in the application meet the requirements for patentability and respectfully requests that the Examiner indicate allowance of such claims at the Examiner's earliest convenience.

Any amendments to the claims which have been made in this response which have not been specifically noted to overcome a rejection based upon prior art, should be considered to have been made for a purpose unrelated to patentability, and no estoppel should be deemed to attach thereto.

The Commissioner is hereby authorized to deduct or credit any underpayment or overpayment of fees associated with submission of this response to Deposit Account Number 502456.

Should the Examiner have any questions, the Examiner may contact the Applicant's undersigned representative at the (949) 932-3329.

Respectfully submitted,

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/Sivon Kalminov/

Date

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